

**IN THE CLAIMS**

**Please amend the claims as follows:**

1. (currently amended) A cost processing system for determining a transaction cost of an item, the system comprising:

department logic to define one or more departments which produce cost-driving transactions;

allocation logic to define an allocation of business expenditures attributable to each ~~defined~~ department;

item logic to obtain a number of items transacted in each department; and

cost logic to determine the transaction costs ~~cost of each of the items~~ item in each of the ~~defined~~ departments transacting the item based on the allocation of business expenditures to each of the ~~defined~~ departments and the number of items transacted in each of the ~~defined~~ departments,

wherein the department logic defines a department for transacting the item if the item is supplied with a value-added feature, and

whereby determining the transaction cost of the item accounts for supplier-related costs.

2. (currently amended) The cost processing system of claim 1 further comprising time period logic to define a time period for determining the transaction ~~costs~~ cost ~~of each of the items~~ the item.

3. (currently amended) The cost processing system of claim 2 further comprising an interface for a user to define a the time period ~~for evaluation~~, define the one or more departments, and define the allocation of the ~~one or more~~ business expenditures to each ~~department~~ the departments.

4. (currently amended) The cost processing system of claim 1 further comprising expenditure logic to obtain ~~one or more of~~ data on the business expenditures.

5. (currently amended) The cost processing system of claim 1 wherein the department logic comprises logic for defining a physical space measurement associated with each of the ~~one or more~~ departments.

6. (original) The cost processing system of claim 1 wherein the allocation logic comprises logic to define the allocation of business expenditures to each of the departments based on at least one of a predetermined monetary amount and a proportion of the business expenditures.

7. (currently amended) The cost processing system of ~~claim 1~~ claim 5 wherein the allocation logic comprises logic to define the allocation of business expenditures to each of the departments based on at least one of ~~a~~ the physical space measurement of each department, a predetermined monetary amount, and a proportion of the business expenditures.

8. (currently amended) The cost processing system of claim 1 wherein the cost logic to determine the transaction cost of ~~an~~ the item comprises:

logic to sum, ~~for each department,~~ the business expenditures allocated to each department transacting the item; and

logic to divide the sum for each department transacting the item by the number of items transacted in ~~each of the~~ respective departments to obtain the transaction cost of ~~an~~ the item ~~to in~~ each of the respective departments ~~department~~.

9. (currently amended) The cost processing system of claim 8 wherein the cost logic further comprises logic to sum the transaction cost of ~~an~~ the item in each of the departments ~~department~~ ~~for each department that transacts~~ transacting the item, to obtain the transaction cost of ~~an~~ the item ~~to the~~ a business.

10. (original) The system of claim 1 wherein the system is embodied as a computer software product having computer-readable instructions.

11. (currently amended) A cost processing system for determining a transaction cost of an item, the system comprising:

means for defining one or more departments which produce cost-driving transactions;

means for defining an allocation of business expenditures attributable to each ~~defined~~ department; and

means for determining the transaction ~~costs of each of the items~~ cost of the item in each of the ~~defined~~ departments transacting the item based on a number of items transacted in each of the ~~defined~~ departments and the ~~defined~~ allocation of business expenditures to each of the ~~defined~~ departments and,

wherein a department is defined for the item supplied with a value-added feature, and

whereby determining the transaction cost of the item accounts for supplier-related costs.

12. (currently amended) A method for determining a transaction cost of an item, the method comprising:

defining one or more departments which produce cost-driving transactions including a department for processing the item if the item is supplied with a value-added feature;

allocating business expenditures to the ~~defined~~ departments;

obtaining ~~the~~ a number of items processed in each ~~defined department~~ of the departments;  
and

determining ~~a~~ the transaction cost of ~~an~~ the item in each department processing the item based on the allocation of business expenditures to each department and the number of items processed in each ~~defined~~ department; and

outputting the transaction cost.

13. (original) The method of claim 12 further comprising:

defining a time period of cost evaluation.

14. (currently amended) The method of claim 13 further comprising:

obtaining data on the business expenditures in the time period ~~for cost evaluation.~~

15. (currently amended) The method of claim 12 wherein the ~~allocation of~~ allocating the business expenditures to ~~each of the defined~~ departments is based on at least one of a predetermined monetary amount, and a proportion of the business expenditures.

16. (currently amended) The method of claim 12 further comprising:

defining a physical space measurement for each of the ~~one or more defined~~ departments;  
and

wherein the ~~allocation of~~ allocating the business expenditures to ~~each of the defined~~ departments is based on at least one of a defined space requirement of each department, a monetary amount, and a proportion of the business expenditures.

17. (currently amended) The method of claim 12 wherein the transaction cost of ~~an~~ the item is determined by:

summing, ~~for each department,~~ the business expenditures allocated to each department processing the item to obtain a sum; and

dividing the sum by the number of items ~~transacted~~ processed in each of the respective departments to obtain the transaction cost of ~~an~~ the item ~~to~~ for each department.

18. (currently amended) The method of claim 17 further comprising:

summing the transaction cost of ~~an~~the item ~~to~~for each department that ~~transacts~~  
processes the item to obtain the transaction cost of ~~an~~the item to ~~the~~a business.

19. (currently amended) ~~An article of manufacture comprising A computer program stored in~~  
a computer-readable medium storing a program for determining a transaction costs~~cost~~ of an  
item, the ~~complete program comprising~~including instructions for causing a computer to:

~~computer readable instructions that cause a computer to~~ define one or more departments  
which produce cost-driving transactions including a department for processing the item if the  
item is supplied with a value-added feature;

~~computer readable instructions that cause a computer to~~ allocate business expenditures  
attributable to each ~~defined department~~the departments; and

~~computer readable instructions that cause a computer to~~ determine the transaction costs  
of each of the items cost of the item in each of the ~~defined departments~~department processing  
the item based on a number of items ~~transacted~~processed in each of the ~~defined~~ departments and  
the ~~defined~~ allocation of business expenditures to each of the ~~defined~~ departments; and

output the transaction cost.

20. (new) The cost processing system of claim 1 wherein the department logic defines a  
department for transacting the item if the item is supplied without the value-added feature.

21. (new) The cost processing system of claim 11 wherein a department is defined for the  
item supplied without the value-added feature.

22. (new) The method of claim 12 further comprising defining a department for processing  
the item if the item is supplied without the value-added feature.

23. (new) The article of manufacture of claim 19 where the program further includes instructions for causing the computer to define a department for processing the item if the item is supplied without the value added feature.

24. (new) The cost processing system of claim 1, wherein the value-added feature is one of bar-coded packaging and support for electronic payment.

25. (new) The method of claim 12, wherein outputting the transaction cost includes one of displaying the transaction cost, printing the transaction cost and storing the transaction cost.